

# Econ 673: Microeconometrics

## Ch. 1: Introduction

Fall 2008

### Course Overview

## The Basics

- Instructor: Prof. Joseph Herriges
  - Office: 369 Heady Hall
  - Office Hours: MWF 10-11am or by appointment
  - email address: jaherrig@iastate.edu
- Class Time: MWF 9:00 to 9:50 am
- Class Location: 160 Heady Hall
- Class webpage:  
<http://www.econ.iastate.edu/classes/econ673/herriges/>
- Textbook: Train, K. (2003), *Discrete Choice Methods with Simulation*, Cambridge, MA: Cambridge University Press.
- Supplemental Readings available via on-line reading list

## About Me

- B.S. from Marquette University in Economics and Math/Stat
- M.S. and Ph.D. for the University of Wisconsin, Madison in Economics (Major field: Econometrics)
- 10 years work for Laurits R. Christensen, Inc. - Economic consulting in electric power industry
- 20 years at ISU, specializing in
  - Applied Econometrics
  - Environmental and Natural Resource Economics

## Objectives

- Familiarize you with the theory and techniques widely used in empirical microeconomics
- Emphasis on
  - Qualitative choice/limited dependent variable models
  - Role of microeconomic theory in model specification
  - Application of these models in
    - Nonmarket valuation/recreation demand
    - Labor
    - Transportation
    - Health

## Grade Composition

- Midterm exam: 25%
- Final exam: 30%
- Homework: 20%
  - Full credit if turned in during class on due date
  - Half credit if turned in late, but prior to next class
- Paper: 25%

## Term Paper

- Address an issue in applied microeconomics
- Application of your choice employing methods developed in course
- Avoid new data collection for sake of this paper alone
- Paper provides an opportunity to
  - Explore potential dissertation topics
  - Develop required third year paper
  - Present preliminary ideas at workshops
- The paper should be your own work written for this course.

## Term Paper (cont'd)

- Use format and style requirement of *Review of Economics and Statistics*
- Structure paper into sections with at least:
  - Introduction
  - Model Specification
  - Data Description
  - Results
  - Conclusions
- Submit computer output generating your results, labeling key sections
- Key Dates:
  - One page proposal due November 3, 2008
  - Three page detailed proposal due December 12, 2008
  - Final paper due August 15, 2009

### Tentative Lecture Schedule

Chapter	Topic	Lectures	Date
1	Introduction	1	Aug. 25
2	Simulation Tools for Estimation and Inference	2,3	Aug. 27,29
3	Numerical Maximization	4-6	Sep. 3,5,8
4	Properties of Discrete Choice Models	7	Sep. 10
5	Binary Choice (Logit/Probit)	8-12	Sep. 12-22
6	Extensions of Binary Choice Model	13-25	Sep. 24 - Oct.22
<b>Midterm Exam</b>			Oct. 20
7	Estimation with Simulation	26-27	Oct. 24,27
8	Limited Dependent Variable Models	28-33	Oct. 29-Nov. 10
9	Count Data Models	34-36	Nov. 12,14,17
10	Discrete/Continuous Choice Models	37-38	Nov. 19, 21
11	Panel Data Models	40-42	Dec. 3, 5, 8
12	Quasiexperimental Techniques	42-44	Dec. 8,10,12
<b>Final Exam</b>			Final Exam Week